

Queensland



Parliamentary Debates
[Hansard]

Legislative Council

WEDNESDAY, 9 SEPTEMBER 1885

Electronic reproduction of original hardcopy

LEGISLATIVE COUNCIL.

Wednesday, 9 September, 1885.

Formal Motion.—Townsville Jetty Railway.—Charitable Institutions Management Bill—consideration of message of Legislative Assembly of 27th August.—Local Government Act of 1878 Amendment Bill—consideration of Legislative Assembly's message of 27th August.—Emu Park Railway.

The PRESIDENT took the chair at 4 o'clock.

FORMAL MOTION.

The POSTMASTER-GENERAL moved—

That the plan, section, and book of reference of the proposed Isis Branch Railway, as received from the Legislative Assembly on the 27th August, be referred to a Select Committee, in pursuance of the 111th Standing Order.

That such Committee consist of the following members, namely:—Mr. F. T. Gregory, Mr. E. B. Forrest, Mr. Holberton, Mr. Pettigrew, and the Mover.

Question put and passed.

TOWNSVILLE JETTY RAILWAY.

The POSTMASTER-GENERAL brought up the report of the Select Committee on the Townsville Jetty line with the minutes of evidence, and moved that it be printed.

Question put and passed.

CHARITABLE INSTITUTIONS MANAGEMENT BILL — CONSIDERATION OF MESSAGE OF LEGISLATIVE ASSEMBLY OF 27TH AUGUST.

On the motion of the POSTMASTER-GENERAL, the President left the chair, and the House went into Committee to consider this Order of the Day.

The POSTMASTER-GENERAL said hon. gentlemen would see that the amendment of the Legislative Assembly upon the Council's amendment was a very simple one. It simply consisted of the addition of the following words to the amendment of the Council—"and the due preservation of such property." He moved that the amendment be agreed to.

The HON. F. T. GREGORY said that the addition suggested by the Legislative Assembly was one which he thought, upon due consideration, hon. members would be satisfied was a reasonable one, and in fact an improvement upon the amendment made by the Council. There could be no doubt that it was desirable that the clause which had been inserted should form part of the Bill, and as the amendment of the Legislative Assembly was in furtherance of their intentions, he saw no objection to it. Under those circumstances, he saw no reason whatever to dissent from the amendment. On the contrary, he took it to be an improvement upon the original amendment.

Question put and passed.

On the motion of the POSTMASTER-GENERAL, the CHAIRMAN left the chair and reported that the Committee had agreed to the amendment of the Legislative Assembly.

The report was adopted, and the Bill ordered to be returned to the Assembly by message in the usual form.

LOCAL GOVERNMENT ACT OF 1878
AMENDMENT BILL—CONSIDERATION
OF LEGISLATIVE ASSEMBLY'S
MESSAGE OF 27TH AUGUST.

On the motion of the POSTMASTER-GENERAL, the President left the chair, and the House resolved itself into Committee of the Whole, to consider this Order of the Day.

The POSTMASTER-GENERAL said the message now under consideration, as received from the Legislative Assembly, was as follows:—

"MR. PRESIDENT,

"The Legislative Assembly having had under consideration the Legislative Council's amendments in the Local Government Act of 1878 Amendment Bill,—

"Disagree to the amendment of the Legislative Council in the 4th clause,—

"Because it is not expedient to fix an arbitrary limit to the period for which the time for the commencement of the payment of instalments upon sums borrowed for the construction of waterworks may be postponed.

"The Legislative Assembly offer this reason without waiving their right to insist upon the further reason that the amendment relates entirely to the public revenue.

"Disagree to the amendment of the Legislative Council in the 5th clause,—

"Because if the revenue derived by the council of a municipality from waterworks is more than sufficient to defray the working expenses, and pay the annual instalments payable in respect of the sum borrowed for the construction of the waterworks, there is no good reason why the surplus should not be applied for the general benefit of the municipality to which the waterworks belong.

"WILLIAM H. GROOM,

"Speaker.

"Legislative Assembly Chamber,

"Brisbane, 27th August, 1885."

In moving that the House did not insist on their amendment, he should make a few observations in respect to his motion. The subject was fairly well dealt with by the House when the Bill was before it, and he thought he pointed out that the Government had in view the possibility that there would be a surplus in respect of such works as waterworks possessed by the local governments of the colony, and he endeavoured to show that if any local government had a surplus arising from waterworks after paying the working expenses, and the annual in-

stalment of interest and principal, it was right that it should have it in its power to name the destination to which such surplus should go. He thought it was pretty well agreed that the local bodies could fairly lay claim to the result of their thrift and economy, and devote any surplus they might have to the general improvement of the localities governed by them. Indeed, an instance was given of a corporation within the colony making a profit out of local government property other than waterworks, and it appeared to him that it would be in the highest degree unwise to prevent local authorities from utilising surplus funds received from waterworks in any way that they thought proper for the benefit of the division or municipality which they represented. They must bear in mind that all local authorities were elective bodies, and that the people themselves would take very good care that their financial arrangements should be in accordance with their own views—at any rate, in accordance with the views of the majority; and it seemed to him very undesirable to curtail their power to appropriate surplus moneys, and prevent those moneys being used for the improvement of works within the boundaries of the local authorities. He saw no reason why a surplus derived from waterworks should not be devoted, say, to the improvement of the drainage of a town or division, or for the metalling of roads, or otherwise in the efficient and good government of municipalities and divisions. At any rate, the utilising of such surplus would probably have the effect of lightening the burdens, in other directions, of the ratepayers. The matter was one that peculiarly belonged to the ratepayers, and, in that view, he hoped that hon. members would support him in his motion. Moreover, that House should also keep in view what, he respectfully submitted to them, was a matter that was specially within the jurisdiction, if he might use the term, of the Legislative Assembly. He thought there was a sentence in "May's Parliamentary Practice" which would convey his meaning in the tersest form, and hon. gentlemen, he was sure, would give it due appreciation and consideration. The following might be read at page 575 of the 7th edition of "May":—

"In Bills not confined to matters of aid or taxation, but in which pecuniary burdens are imposed upon the people, the Lords may make any amendments, provided they do not alter the intention of the Commons with regard to the amount of the rate or charge, whether by increase or reduction; its duration, its mode of assessment, levy, collection, appropriation, or management."

He need read no further, because the words "appropriation" and "management" embodied what might be resolved into an argument of an hour's duration. In view of the fact that the matter was peculiarly within the functions and powers of the Legislative Assembly, and for the other reasons given he moved that the Committee do not insist on the Council's amendment in clause 4, because it was not desirable to put any limit whatever on the time within which the repayment of sums borrowed for the construction of waterworks should commence.

The HON. A. C. GREGORY said it would be highly undesirable not to insist on the amendments made by the Council. In regard to clause 4, it had been proposed to curtail the power of the Executive Government to extend the period within which the repayment of the annual instalments of capital be made to five years, whereas the Assembly wished it left so that the Government might extend the time indefinitely. It was stated in the message that the Assembly "offer this reason without waiving their right to insist upon the further reason that the amendment relates entirely to the public revenue." That statement and the passage quoted from

"May" by the Postmaster-General were intended to show that the Council ought not to interfere with the Bill at all. They need not go to "May," however, but to their own Constitution Act, which gave that Chamber a written constitution precisely defining what they might and what they might not do. In the case of the House of Commons and the House of Lords, the practice was guided by a collection of decisions and parliamentary practice, which was sometimes rather obscure and difficult to understand. Fortunately, that Council had simply to look at their own Constitution Act and see what was stated there. It was there stated:—

"Within the said colony of Queensland Her Majesty shall have power, by and with the advice and consent of the said Council and Assembly, to make laws for the peace, welfare, and good government of the colony in all cases whatsoever: Provided that all Bills for appropriating any part of the public revenue for imposing any new rate, tax, or impost, subject always to the limitations hereinafter provided, shall originate in the Legislative Assembly of the said colony."

The consequence was that they were simply restricted from originating such Bills, but they had power to amend any Bill whatever. That was so clear that it required no argument on his part to make it patent to every member of the Committee. The amendment made by the Council in clause 4 added a period of five years to the period already provided for by the Local Works Loans Act of 1880, making the total period ten years. He could not see what prospect there was of any works extending beyond ten years from the time that the money was borrowed till the time when they began to return a fair profit, if ever they were going to return a profit. How unfair it would be, therefore, to allow a municipality, that might have waterworks which extended not only over the municipality, but over a larger area besides, to levy rates all over that area, and then by manipulating their books—he did not say by making false statements, because it was very easy to transfer items so as to make it appear that there was a large profit or more or less expenditure on capital account—to make it appear that there was a considerable surplus! Then that money might be appropriated to works inside the municipality—to the erection of a town hall, or repairing streets. A more unfair or unsatisfactory way of taxing could not be proposed than making people pay water rates, and then, instead of letting them have the advantage of a surplus, spending the money elsewhere. Again, the municipality might raise the water rates enormously and lower the ordinary rates, getting money from people outside to spend inside the municipality. If such a transaction were carried out by a private individual it would receive a very unpleasant designation; but municipal bodies were supposed to be incorporate as well as corporate. He should oppose the motion, because it was undesirable and inexpedient to leave in the hands of the executive government power to postpone for an indefinite period the commencement of the repayment by annual instalments of the capital sum beyond the term of ten years, which ought to be sufficient for the completion and bringing into remunerative working of any municipal waterworks.

The Hon. T. L. MURRAY-PRIOR said he could not add anything to the lucid reasons given by the Hon. Mr. Gregory why the amendment should be insisted upon, but there was one point on which he felt himself in duty bound to say a few words. After giving their reason for disagreeing to the Council's amendment the Assembly said they offered "this reason without waiving their right to insist upon the further reason that the amendment relates entirely to the public revenue." He was not going to argue the matter fully now, but the

time might arrive when it would be necessary for him to do so. The part of the Constitution Act quoted by the Hon. Mr. Gregory showed conclusively to his mind that they had a perfect right to amend any money Bill which might come before them; otherwise they would be only stultifying themselves by going into committee on such Bills. It was not necessary to go to "May" for precedents. All the Postmaster-General need do was to read the clause of the Constitution Act already quoted, when he would find that the Council had power to alter money Bills, though it was not always expedient to do so. When such cases did arise, however, it was their duty to preserve the privileges given by their Constitution, and also to preserve the money of the people for the people's welfare. He should decidedly oppose the motion.

The POSTMASTER-GENERAL said that some hon. members were under the impression that the words at the end of clause 4—"for any period not exceeding five years"—would give a term of ten years to which the Government might postpone the commencement of the repayment of loans to local bodies on account of waterworks; and reference had been made to the Local Works Loans Act in support of that theory. He must say that on a former occasion there appeared to him to be some truth in the contention, but now he felt quite convinced that it did nothing of the kind. It would be clearly seen that the proviso in clause 8 of that Act had no relationship whatever to the amendment of the Council in clause 4 of the Bill now under consideration. The proviso read thus:—

"Provided that the term of such loan shall be deemed to begin on such date not more than five years after the authorisation of the same as the Governor in Council prescribes; but interest calculated at 5 per centum per annum shall be payable on such loan from the date on which it is actually advanced by the Treasurer."

From that it was clear that the Government might fix a date not more than five years after the authorisation of the loan. The loan might be authorised to-day but might not be paid for some years; yet the proviso said that the repayment should commence within five years. Clause 4 of the Bill before the Committee was amended so as to give the Government power to defer the payment by local authorities of interest as well as principal after the advance had been made. That was a very important amendment, because hitherto, when an advance had been made to a local body, the very first half-year a payment had to be made on account of the interest in respect of which such sum had been advanced. The proposed waterworks on the Brisbane River would mean a very large advance to the local authority, but it would also take from four to seven years to complete, and it would be very hard if the authority borrowing the money were asked to begin to pay back principal and interest immediately after the advance was made. It was very desirable that the Government should have power to defer the payments. There was no intention to exercise the authority in an indiscriminate way; it was for the purpose of giving a little elasticity where special circumstances existed in particular parts of the colony. It was really reprehensible that interest should begin to be paid before a public work, for which money had been borrowed, was finished; and that was what would continue if the amendment of the Council were insisted upon. In the case of a railway contract estimated to be completed in three years, by floods and droughts the construction was sometimes prolonged to nearly double the period, and it was for cases such as those that the Government desired that clause 4 should pass as it came from the Assembly. He thought he need say nothing more on the subject

but he was glad that it occurred to him to point out that the two clauses—clause 5 of the Bill and the proviso in clause 8 of the Local Works Loans Act—did not provide for the term of ten years, as had been suggested by one or two speakers. Indeed, there was very little relationship between the two clauses. He hoped the Council would not insist upon their amendment, in view of the hardship that would undoubtedly ensue if it were by any possibility accepted by the other Chamber.

The HON. F. T. GREGORY said he could not follow the arguments of the Postmaster-General in reference to the clause, because, if he understood him aright, clause 4 of the Bill only referred to the payment of the interest and had nothing whatever to do with the payment of the principal amount. He could not help thinking that the Postmaster-General was quite mistaken. The wording of the clause showed clearly that it referred to the whole question of the repayment of the moneys borrowed for local works. If it meant anything else it would have discriminated between the payment of interest and the payment of the principal sum. Hon. gentlemen were well aware that those moneys were borrowed on a certain principle, by which the principal and interest were paid off simultaneously—that was, that by adding a small amount to the ordinary rate of interest the principal itself was gradually paid off. The meaning of the clause was that the postponement of the time for the annual payment of instalments referred to the whole question from its first commencement until the whole amount was paid off. It was quite clear that the original Local Government Act of 1878 intended that the principal should be commenced to be paid off at once, but the provisions of the Loans Act of 1880 enabled the Government to postpone the payment for five years. The Bill now before them enabled the Government to postpone the repayment *sine die*. The Council had taken exception to that, and amended it by limiting the further period to five years. The clause said:—“which require a special loan rate to be levied in respect of moneys proposed to be borrowed by local authorities, and which limit the amount of money that may be borrowed by a local authority, and may further postpone the time at which the payment of annual instalments in respect of the sum proposed to be borrowed shall commence.” It would be clear and patent to anyone that that referred to a further period of five years, making up, in all, ten years. He should certainly, therefore, insist upon the amendment, as it would not be read in any other way, and no other interpretation than the one he had suggested would be put upon it.

The POSTMASTER-GENERAL said he wished to point out to the last speaker that he was quite in error in thinking that clause 4 referred only to interest.

The HON. F. T. GREGORY: Interest and principal.

The POSTMASTER-GENERAL: The hon. gentleman did not say so.

The HON. A. C. GREGORY said it would be convenient just to quote the provisions of the Local Works Loans Act. In the proviso of section 8 of that Act it was provided that “the term of such loan shall be deemed to begin on such date, not more than five years after the authorisation of the same, as the Governor in Council prescribes.” That was five years, if the Governor in Council chose to grant that term, and that would be the result of the amendment in clause 4. Clause 4 of the Bill went on to say:—“And may further postpone the time at which the payment of annual instalments in respect of the sum proposed to be borrowed shall commence for any period not exceeding five years.”

1885—F

“May further postpone.” That was in addition to the five years already given in the proviso of clause 8 of the Local Works Loans Act. Attention had been drawn to the latter part of the proviso and he would, therefore, read it—

“But interest calculated at five per centum per annum shall be payable on such loan from the date on which it is actually advanced by the Treasurer.”

It would be perfectly unreasonable—and in fact it made one perfectly surprised to hear such a thing suggested—that the Government should go and borrow money at something over 5 per cent. and lend it to municipal authorities without taking any interest for the first ten years. Now the Government wanted to postpone the period indefinitely. Really, had the question not been put before them in that shape he could hardly imagine that anyone could assume that it was possible that they should consider such an arrangement. They might just as well inform the municipal authorities that they could come down to the Treasury and take away anything they could find there. He could not see much use in going on with the debate, because it was perfectly clear that, taken in conjunction with the Local Works Loans Act the Council's amendment as it stood would give the Government the power of postponing the payment of the principal sum for ten years. It increased the original five years to ten, and if that was not a long enough time in which to carry out any special work let the local authority concerned come before Parliament for a special Act to authorise an extension of time. An Act of that sort could contain provision for extending the period for a hundred years if necessary, or any conditions whatever might be imposed. Indeed, the work would be of such special magnitude that it would fully justify the time of Parliament being taken up in discussing a Bill providing for an extension of time, and it was not as though by discussing the Bill now they were interfering with the power of Parliament to grant in the future any special privileges it might think fit. He therefore should adhere to the position he had taken up, and oppose the motion proposed by the Postmaster-General.

The POSTMASTER-GENERAL said he was at a loss to understand why the Hon. A. C. Gregory was able to say that the five years' term was embodied in the Local Works Loans Act, because hon. gentlemen would see that, no matter when the money was advanced, interest commenced from that date. Therefore the term of five years which the hon. gentleman spoke of was not a term which the Governor in Council could make a present of, so to speak, to the local authority. That was perfectly impossible, so that the idea that was attempted to be promulgated that there were really two periods—five years under the present Bill and five years under the Local Works Loan Act—was, he submitted, incorrect.

The HON. A. C. GREGORY said he thought he had been misrepresented. Distinctly the Local Works Loans Act provided that local authorities should pay interest forthwith on receipt of the money, and it had been the practice of the Government to demand payment forthwith. It had been demanded and paid, and therefore they knew what the interpretation of the Government was on the subject. Therefore his statement agreed exactly with the action which was actually taken by the Government. They postponed the payment of the instalments of the principal for various periods up to five years. That had actually been done. In the clause before them the

Government were not given the right to postpone the payment of interest as well as the instalments of principal, but the clause simply said—

“May further postpone the time at which the payment of annual instalments in respect of the sum proposed to be borrowed shall commence for any period not exceeding five years.”

If five years and five years did not make ten years, he thought they must look to the other side of the Committee for a more correct calculation.

The HON. J. COWLISHAW said hon. gentlemen would see that there was no advantage to be gained by a local authority in asking that the time for the repayment of the principal sum be extended, because, so long as the repayment of the annual instalments did not commence, 5 per cent. per annum had to be paid upon the whole amount borrowed, and if the repayment of the instalments commenced as soon as the money was borrowed, a very much smaller sum would eventually have to be paid off. If the repayment of the annual instalments were commenced at once the local bodies would be decidedly gainers, and therefore it was no advantage to have the time extended.

The HON. A. C. GREGORY said the argument of the hon. gentleman was certainly in favour of the view he took of the question. He (Hon. A. C. Gregory) proposed that they should insist upon a limit to the period. The hon. gentleman who had just sat down had said that there was no advantage in extending the time; in fact his argument went to show that they might as well have left out of the original Act any provision with reference to the extension of time for five years. He could hardly take that to be the intention and view taken by the Government, because they were evidently pursuing quite a different course.

The HON. F. T. GREGORY said he would only add that it appeared to him a most dangerous power to vest in the hands of any Executive to postpone indefinitely the refundment of a loan. The result would be that pressure would constantly be brought to bear for that purpose, as they were well aware had been done. Districts which returned one or two members as supporters of the existing Government would be able to bring such pressure to bear; and it was only right that they should provide against a contingency of that sort. If they allowed that kind of thing the result would be that the colony would be gradually getting deeper and deeper into debt, and local authorities would become authorised repudiators of their responsibilities; that was, the Executive of the day would be able to throw the onus of the repayment of the loan upon the country generally instead of its being repaid by the local taxpayers.

Question—That the Council do not insist upon their amendment in clause 4—put, and the Committee divided:—

CONTENTS, 3.

The Postmaster-General, the Hons. W. H. Wilson and J. Swan.

NON-CONTENTS, 16.

The Hons. T. L. Murray-Prior, J. Cowlishaw, A. Raff, W. D. Box, F. H. Hart, W. Forrest, W. G. Power, W. Graham, W. Pettigrew, P. Macpherson, J. Taylor, J. C. Smyth, A. H. Wilson, F. T. Gregory, A. C. Gregory, and F. H. Holberton.

Question resolved in the negative.

The HON. A. C. GREGORY said, as contingent upon the vote which had just been taken he would now move—

That the Council insist upon their amendment in clause 4—

Because it is undesirable and inexpedient to leave in the hands of the Executive Government power to postpone for an indefinite period the commencement of

the repayment by instalments of the capital sum beyond the term of ten years, which ought to be sufficient for the completion and bringing into remunerative working any municipal waterworks.

Question put and passed.

The POSTMASTER-GENERAL moved that the Council do not insist upon their amendments in the third subsection of clause 5. As he had dealt with the subject in his former remarks during the afternoon, he did not propose to say anything further.

The HON. A. C. GREGORY said the arguments had been so full upon the preceding amendment, and the amendment of subsection 3 of clause 5 was of so nearly a similar character, that he need not detain the Committee longer than by simply saying that he was opposed to the motion that the Council do not insist upon their amendment. To follow the example set by the Postmaster-General he would be brief, and simply read the reason which he proposed to offer to the Assembly for insisting upon the amendment, in the event of it being insisted upon:—

Because, in most instances, the waterworks will extend beyond the limits of the municipality, and water rates will be levied on persons beyond the municipal boundary, and it would be inequitable to divert any surplus to other purposes than those for which the loan was originally obtained, or to works which would not be for the benefit of the whole of such ratepayers.

The HON. W. PETTIGREW said he hoped the Committee would agree to confirm the amendment. He hoped they would confirm the principle that if money was raised by rates for a special purpose it should be expended on that purpose and on nothing else. That was the prevailing idea carried out in the Local Government Act of 1878. Clause 228 said:—

“The council of every municipality shall cause a separate account to be kept in some bank for every loan incurred by them, and all money forming part of such loan shall be paid into such account and shall be applied solely to the purpose for which the same was borrowed, and it after all such purposes are performed there is any surplus of such money the council shall repay the same to the consolidated revenue in part liquidation of the loan.”

Clause 229 was similar, only it applied to special loan rates; but in both instances the surplus was to be applied in reducing the principal money. The clause read thus:—

“All moneys derived from special loan rates shall be placed to the credit of a separate fund, and shall be applied in the payment of interest at the rate of 45 per centum per annum on the amount of moneys advanced in pursuance of the provisions of this part of this Act. And if in any year after the payment of such interest there shall be any surplus, such surplus shall be applied in part liquidation of the principal money due upon such advance.”

The proposal of taking surpluses of water rates and applying them to general municipal funds was new to the Act; but in Brisbane, unfortunately, it was not new in practice. He would quote two instances. Clause 252 of the Local Government Act related to drainage, and read thus:—

“For the purpose of constructing and maintaining any works for or relating to sewerage or drainage the council may make special rates and may levy the same upon the owners or occupiers of any property within the municipality deriving any benefit or advantage from such works.”

The object of the Legislature was plain enough—namely, that those whose property was benefited by a drain should pay for it. Such, however, was not done in Brisbane. The whole city was rated for making every particular drain. The East Ward, which till within the last two or three years contributed one-third of the rate revenue, and during the last two or three years only a little less, had to pay that proportional part of the drainage rates. During the last six months it had been assessed for £231 8s. 4d., and nearly

all paid. Now, not one farthing of that money should be raised in the East Ward, seeing that none of the loans for drainage which that ward went to pay was spent for the benefit of that ward. Again, there was the general rate of 1s. in the £1. That rate for the half-year was £2,763 8s. 9d., and there was collected £2,611 19s. 6d. On that latter sum endowment was given the following half-year. The expenditure in proportion to rates received and total expenditure should have been over £3,719, whereas there was only spent £894 0s. 6d. Actually £2,825 had been misappropriated—about a half of which was from the general revenue, and the other half from the ratepayers of that ward. Be it observed there was no limit to the amount of rating there might be for waterworks loans, so that a very considerable amount might be raised and applied for other purposes than waterworks; but with the amendment adopted by the Council municipalities would have no inducement to raise more revenue than just sufficient to pay working expenses, interest, etc. For those reasons he hoped the Committee would adhere to their amendment, seeing that it was just, equitable, and in accordance with the Local Government Act of 1878.

The Hon. J. COWLISHAW asked what would come of surplus rates if the amendment were insisted upon? Would water be supplied to ratepayers for nothing, or for a sum sufficient to cover expenses? What were the municipality to do with surplus revenue if they were not allowed to put it into the municipal fund? If the amendment were insisted upon they would be prohibited from using it in any way. With regard to the special rates referred to by the Hon. Mr. Pettigrew, he did not think clause 4 applied to them at all, because before the municipality obtained permission to borrow they must show that the revenue to be derived would pay the instalments which would cover principal and interest. The clause said, "and upon such conditions as may be imposed by the Order in Council dispense with the provisions of the Local Government Act of 1878, which require a special loan rate to be levied"; so that it would not come under the clause at all. No special account would have to be kept, nor would the surplus have to be dealt with as provided there. With reference to the rates obtained from persons in other divisions, he thought in all cases where water was supplied the people got full value, and those who took the risk of constructing waterworks should have the right to do as they pleased with the surplus, if there was one. It would be unjust to insist on the amendment.

The Hon. T. L. MURRAY-PRIOR said the hon. member's remarks had already been plainly answered by the Hon. Mr. Pettigrew. The rate in question was levied for the special purpose for which the money was borrowed. If there were any surplus, then the rate could either be reduced or the residue could be applied to improving the waterworks themselves, or go to pay off the money borrowed.

The Hon. J. COWLISHAW said the hon. gentleman evidently had not read the 4th clause, which said that the provisions of the Local Government Act of 1878, as far as waterworks were concerned, should be dispensed with. If people were not supplied with water they paid nothing.

The Hon. W. PETTIGREW said there was no limit to the amount of rates to be imposed under the Act. Sufficient to pay both principal and interest could be imposed, and if there happened to be a surplus it was in consequence of the extra amount of money raised. It was to prevent a municipality in the name of water rates raising a revenue and applying it to another purpose that the amendment should be insisted on. He wished to put a stop to that system.

The POSTMASTER-GENERAL said he could not see that the practice, if carried out, would be so reprehensible as was attempted to be shown. The success of the largest municipalities was in a measure due to the circumstance that they had a revenue coming from other sources than taxation, which lessened the burden on the ratepayers and which went a long way to improve the respective municipalities. The principle that every tub should stand on its own bottom did not hold good with reference to local government. Why did not the ratepayers of Brisbane call for a reduction of the rent obtained from the corporation wharves, which rent was greatly in excess of the instalments repaid on account of the sum borrowed? Why was not that tub made to stand on its own bottom? He did not think the Hon. Mr. Pettigrew would hold that as a general principle to be enforced without modification in municipalities in other parts of the world. The Hon. gentleman knew very well that in Great Britain many of the most successful municipalities had enormous sources of revenue from properties and interests altogether independent of taxation, and those were considered to be highly beneficial. It was a matter of regret that some local institutions in Queensland were not more largely endowed. If the inhabitants within a municipality or a divisional board had the pluck and enterprise to move their representatives to engage in waterworks—if they took the responsibility of the loan and carried the works out so efficiently and worked them so economically as to obtain a profit—he did not see why they should not be entitled to spend that profit in the public interests. He hoped hon. gentlemen would allow his motion to pass, because he believed they would see on reflection that the point was exceedingly small. It should be borne in mind that, in consequence of the frequency of elections, the matter was in the hands of the ratepayers, who might fairly be entrusted to elect men who would carry out their views. If they wished a surplus to go into a sinking fund they might have it devoted to that purpose, but the people should have the option of applying profits to public purposes within their own boundaries.

Question put and negatived.

The Hon. A. C. GREGORY moved—

That the Council insist on their amendments in the 5th clause—

Because in most instances the waterworks will extend beyond the limits of the municipality, and water rates will be levied on persons beyond the municipal boundary; and it would be inequitable to divert any surplus to other purposes than those for which the loan was originally obtained or to works which would not be for the benefit of the whole of such ratepayers.

Question put and passed.

The POSTMASTER-GENERAL moved that the Chairman leave the chair and report to the House that the Committee insist on their amendments.

Question put and passed.

The House resumed, and the report was adopted.

The Hon. A. C. GREGORY moved that the Bill be returned to the Legislative Assembly with a message intimating that the Council insisted on their amendments.

Question put and passed.

EMU PARK RAILWAY.

The PRESIDENT read a message from the Legislative Assembly, forwarding, for the approval of the Council, the plan, section, and book of reference of the proposed railway from Rockhampton to Emu Park, *via* Lake's Creek.

The House adjourned at five minutes to 6 o'clock.